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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Attorney Docket No. 0590112

**PATENT**

In re Application of:  
Peter J. Jessup and  
Michael C. Croudace

Serial No. 08/904,594  
Filed: August 1, 1997

GASOLINE FUEL

Assistant Commissioner For Patents  
Washington, D. C. 20231

Sir:

INFORMATION DISCLOSURE STATEMENT No. 1

SUBMITTED UNDER 37 CFR 1.97 AND 1.98

This IDS No. 1 is presented in four sections, briefly introduced as follows:

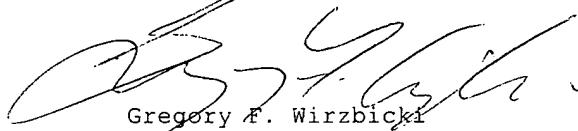
Section A updates the Examiner as to the litigation stemming from a declaratory judgment action filed by six oil companies against applicants' assignee, Unocal, alleging, inter alia, that the claims of U.S. Patent 5,288,393 which issued from applicants' great-great grandparent application are invalid and/or that the patent is unenforceable.

Section B updates the Examiner as to a recently filed complaint by Talbert Fuel Systems Patents Co. against applicants' assignee, Unocal, alleging, inter alia, that U.S. Patent 5,288,393 which issued from applicants' great-great grandparent application is invalid as conflicting with U.S. Patent 5,015,356 issued to Talbert.

Section C requests the Examiner to consider the documents in the file histories of applicants' earlier related patent applications claiming benefit under 35 USC 120.

Section D requests the Examiner to review certain laboratory notebook pages of applicants' assignee, Unocal, regarding ARCO and Chevron fuels.

Respectfully submitted,



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INFORMATION DISCLOSURE STATEMENT No. 1  
SECTION A

UPDATED STATUS OF LITIGATION INVOLVING APPLICANTS'

GREAT-GREAT-GRANDPARENT APPLICATION,

NOW U.S. PATENT 5,288,393

In IDS Nos. 13 and 16 of applicants' grandparent application (Serial No. 08/409,074 filed March 22, 1995, now U.S. Patent 5,593,567), applicants had informed the Examiner of the fact that U.S. Patent 5,288,393, which issued from the great-great-grandparent application of the present application, was involved in litigation between six major oil companies (ARCO, Chevron, Exxon, Mobil, Shell and Texaco, hereinafter "ARCO et al.") and Unocal, the assignee of the '393 patent. At that time applicants provided the Examiner with information pertaining to said litigation. In Section A of this present IDS 1, the applicants will inform the Examiner as to the present status of the litigation.

SUMMARY

The litigation between ARCO et al. and Unocal, in the United States District Court for the Central District of California (Case No. CV-95-2379-KMW), culminated in a trial commencing in Los Angeles on July 15, 1997. The trial was held in three phases, the first two being before a jury. In Phase I, the jury found that the 41 claims at issue in the '393 patent were not invalid under 35 USC 102, 103, and 112 and that ARCO et al. had infringed one or more of said claims. In Phase II, the

jury found that Unocal was entitled to damages at the reasonable royalty rate of 5.75¢ per gallon.

Subsequent to the jury verdicts, in Phase III, a hearing was held before District Court Judge Kim McLane Wardlaw to decide the issue of inequitable conduct. As of this writing, the Court has not issued a decision on this issue.

The remainder of this IDS 1, Section A, will provide added, detailed information pertaining to the matters above summarized, as well as present information concerning pre-trial matters. In conjunction therewith, the Examiner will find five 3-ring binders accompanying this communication. One volume, identified as "IDS 1 Section A Court Documents," contains selected documents from the litigation. The documents in this volume are separated by letter Tabs, i.e., Tab A, Tab B, etc.; thus the Examiner will understand in the discussion to follow that any reference to a document under a lettered Tab can be found in this volume entitled "IDS 1, Section A Court Documents". The second set of binders (four volumes in all) are identified as "IDS 1 Section A Trial Exhibits"; these contain copies of all the art set forth in the Court's Instruction No. 42 (discussed in more detail hereinafter) with respect to 35 USC 102 and 103 issues. These exhibits are arranged numerically by trial exhibit number in the four volumes.

## DETAILED DISCUSSION

### A. The 41 Claims At Issue

Due to disclaimers filed by Unocal, only 41 claims remained in the '393 patent by the time of trial. For the Examiner's convenience in comprehending the scope of the 41 claims, a "claims chart" (Trial Exhibit 2900) will be found under Tab A. This "claims chart" tabulates what the respective gasoline property limitations are for each of the 41 claims. Moreover, in handwriting above each of the gasoline property limitations in the "claims chart" is indicated which emission--i.e., HC, CO, and/or NOx--is affected by each such property as taught in the '393 specification.

### B. Pre-Trial

#### *1. Summary Judgment Motions*

Prior to trial the parties engaged in discovery proceedings and filed motions for summary judgement. ARCO et al filed four motions seeking:

- (1) Summary Judgment for invalidity of the '393 patent claims for lack of novelty under 35 USC 102;
- (2) Partial Summary Judgment for invalidity of 40 of the 41 '393 claims under 35 USC 112 on grounds of indefiniteness and non-enablement;
- (3) Summary Judgment based on the '393 patent being unenforceable due to inequitable conduct; and
- (4) Summary Judgement based on the affirmative defenses of implied license, estoppel, and unclean hands.

Unocal filed one motion for partial summary judgment seeking dismissal of Arco et al.'s claim of equitable estoppel.

The motions were orally argued on April 7, 1997 before Judge Wardlaw. The Court denied all the motions, with one exception. The Court partially granted ARCO et al.'s motion for summary judgment for invalidity under 35 USC 102 but only to the extent that the motion requested the Court to construe the claims. The Examiner is invited to review the Court's written decision, a copy of which can be found under Tab B. The Court denied the motion for summary judgment for invalidity for lack of novelty because it raised a genuine issue of material fact (page 1, lines 23-24). With respect to the claim construction issue, the Court held (page 11, lines 25-27) that:

"The '393 patent is construed in accordance with its plain meaning: It teaches unleaded gasoline fuels intended for regular use in automobiles, i.e., traditional motor gasoline to be mass-produced at typical refineries for the general motoring public."

The Court denied all other motions for summary judgment, the Court's decisions being provided to the Examiner as follows:

- (1) Under Tab C is the Court's decision denying both ARCO et al.'s motion for summary judgment on the affirmative defenses of implied license, estoppel, and unclean hands and (b) Unocal's motion for partial summary judgment on the issue of equitable estoppel.
- (2) Under Tab D is the Court's decision (and earlier Tentative Decision) denying Arco et al.'s motion for partial summary judgement for invalidity of 40

of the 41 '393 claims under 35 USC 112 on grounds of indefiniteness and non-enablement.

(3) Under Tab E is the Court's decision (and earlier Tentative Decision) denying ARCO et al.'s motion for Summary Judgment based on the '393 patent being allegedly unenforceable due to inequitable conduct.

## **2. Notice Under 35 USC § 282**

Prior to trial, ARCO et al. filed a "NOTICE PURSUANT TO 35 U.S.C. § 282," listing, inter alia, the art it would rely on at trial "as establishing the state of the art and/or anticipation of the patent in suit." Subsequently, on or about June 3, 1997, ARCO et al. provided Unocal with two lists, one for patents and one for publications identified in the § 282 Notice, these lists further containing the trial exhibit numbers for each patent or publication of the § 282 Notice documents. The patent list is provided under Tab F and the publication list under Tab G. Subsequently, on June 10, 1997, ARCO et al. submitted a document to the court with an Appendix A<sup>1</sup> which identified "those items of prior art which plaintiffs presently expect to rely upon at trial in support of their defense of invalidity of the '393 Patent based upon anticipation, obviousness and inadequate disclosure." This Appendix A will be found under Tab H. A Supplement to this Appendix A submitted on June 24, 1997 and a Second Supplement submitted on June 30, 1997 will be found under Tabs I and J, respectively.

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<sup>1</sup> Appendix A was attached to ARCO et al.'s "PLAINTIFFS' MEMORANDUM OF CONTENTIONS OF FACT AND LAW PURSUANT TO LOCAL RULE 9.5," not enclosed.

### C. The Trial

Trial on the merits, commencing on July 15, 1997, was conducted in three phases.

#### **1. Phase I**

The first phase of the trial was before a jury, for the purpose of determining whether any or all of the 41 undisclaimed claims of the '393 patent were invalid and whether any or all of the six oil companies infringed one or more of said claims.

Under Tab K the Examiner will find the Court's instructions given to the jury after both parties presented their evidence. Applicants direct the Examiner's attention to two instructions in particular.

- (1) In Court Instruction No. 35 on page 36, the Court first instructed the jury that the patent covers "only 'unleaded gasoline fuels intended for regular use in automobiles, i.e., traditional motor gasoline to be mass produced at typical refineries for the general motoring public.'" The Court further instructed the jury in this same Court Instruction No. 35 "that, as used in the '393 patent claims, references to volume percentages of hydrocarbons measured under the FIA standard mean the percentage that such hydrocarbons bear in relation to the total hydrocarbon content of the fuel—not based upon a percentage of the total fuel mixture --without

adjustment for the presence of MTBE or oxygenates."<sup>2</sup>

(2) In the Court's Instruction No. 42 on pages 43-44 the Court set forth the references for the jury to consider in reaching its verdict regarding anticipation and obviousness. In the enclosed four volumes entitled "IDS 1 Section A, Trial Exhibits" the Examiner will find copies of all the references in the Court's Instruction No. 42.<sup>3</sup> Moreover, for the Examiner's further convenience in locating the trial exhibits referred to in the Court's Instruction No. 42, they are arranged numerically by trial exhibit number--and separated by tabbed dividers--in the four volumes entitled "IDS 1 Section A, Trial Exhibits."

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<sup>2</sup> These instructions are consonant with the claim construction applicants have taken throughout prosecution of the many parent applications of the present application--and will adhere to in the present application. For example, with regard to the FIA determinations, applicants specifically stated (on pages 19-20 of the "AMENDMENT" entered on Oct. 31, 1994 in great-grandparent application Serial No. 08/077,243) that the volume percentages for paraffins in the claims was to be determined as in Table 5 of the specification--which Table 5 reports the FIA data for paraffins, olefins, and aromatics unadjusted for any oxygenate (such as MTBE).

<sup>3</sup> The references in the Court's Instruction No. 42 include many which were of record in one or more of applicants' parent applications and for which no copies need be provided to the Examiner. (37 CFR 1.98(d)) However, because applicants' attorney believes that the Examiner will find it most convenient to have all of the references itemized in the Court's Instruction No. 42 in one place, the enclosed four volumes entitled "IDS No. 1 Section A Trial Exhibits" contain copies of all the art listed in the Court's Instruction No. 42, even if some copies are available to the Examiner elsewhere.

Under Tab L the Examiner will find the jury's Verdict-delivered on October 14, 1994, a day short of three months from the trial's commencement--as to validity with respect to issues arising under 35 USC 102, 103, 112 written description, 112 indefiniteness, and 112 enablement. The jury's verdict for each of the 41 undisclaimed claims as to each of the foregoing issues was in favor of the patentee, i.e., the jury found none of the claims was invalid. In addition, the jury found that each of the six oil companies had infringed one or more of the claims of the '393 patent.

### ***2. Phase II***

After sustaining the validity of the '393 patent and finding that ARCO et al. infringed the claims, evidence was then presented to the jury on the issue of damages, i.e., what was a reasonable royalty rate? A copy of the Court's instructions to the jury and the jury's verdict can be found under Tabs M and N, respectively. The jury's verdict, dated Nov. 3, 1997, was that the reasonable royalty rate was 5.75 ¢/gallon.

### ***3. Phase III***

In December, 1997 a hearing was held before Judge Wardlaw on the issue of inequitable conduct. In its Amended Complaint of May 10, 1996, ARCO et al. alleged in Count II (amended as compared to the original complaint filed April 13, 1995) that applicants and/or their attorney had engaged in inequitable conduct, said Count II running for some 29 pages. At trial, the issue focused on two main allegations: that inequitable conduct occurred in the prosecution of the '393 patent in that the 131 affidavit was allegedly false and

misleading and that allegedly material gasoline data pertaining (a) to certain gasolines produced at Unocal refineries in Los Angeles and San Francisco and (b) to certain ARCO and Chevron commercial gasolines were not disclosed to the USPTO. As to the latter allegation, a written stipulation (under Tab O with RVP's circled by applicants' attorney) was introduced, identifying, inter alia (aa) a total of eight ARCO and Chevron gasolines which fell within the property limitations of one or more of three of 224 claims which issued in the '393 patent (pages 11-13) and (bb) a total of 13 batches of Unocal's Los Angeles refinery gasoline which fell within the property limitations of one or more of 61 of the 224 claims which issued in the '393 patent (pages 18-23). As of the date of this communication, the Court has not issued a decision regarding the inequitable conduct issue.

As a final point with respect to the allegations of inequitable conduct, the USPTO has determined that it is "not the best forum" (emphasis added) to decide this issue. See M.P.E.P. Section 2010, especially the last sentence thereof, which states that the USPTO will normally accept as dispositive the applicants' statement of lack of deceptive intent. Applicants therefore state that they categorically deny that they or their attorney had any deceptive intent in prosecuting the '393 patent application. Accordingly, applicants submit that the allegations of inequitable conduct by ARCO et al. should not be accorded any weight in the prosecution of this application.

Should the Examiner desire more information regarding any matter discussed in this IDS No. 1, Section A, she is

requested to telephone applicants' attorney (714-577-1250) and identify the matters for which she desires more information. Applicants will then endeavor to obtain the desired supplemental information.

The applicants have provided the Examiner with three sheets of Form 1449 for this IDS No. 1, *Section A*, listing the art considered by the jury in the above-described litigation, copies of which art are enclosed in the four volumes entitled "IDS 1 *Section A Trial Exhibits*." The Examiner is asked to indicate her consideration of these documents by initialing in the appropriate locations on the forms and mailing a copy of the initialed forms to applicants' attorney.

INFORMATION DISCLOSURE STATEMENT NO. 1  
SECTION B

STATUS OF LITIGATION INVOLVING APPLICANTS'

GREAT-GREAT-GRANDPARENT APPLICATION,

NOW U.S. PATENT 5,288,393

In this IDS No. 1, Section B, the applicants inform the Examiner of a second litigation, recently initiated, involving applicants' U.S. Patent 5,288,393 (hereinafter the '393 patent). It is noted that the Examiner has a copy of the '393 patent since, in the latest Office Action, she rejected claims of the present application over claims 1-9 of the '393 patent for double patenting.

On January 16, 1998, Talbert Fuel Systems Patents Co. filed a complaint in Los Angeles in the United States District Court for the Central District of California against Unocal and Tosco. The Case Number on the Summons is CV-98-0412 ABC (RNBx). Applicants present understanding is that this litigation has been assigned to Judge Kim McLane Wardlaw, who was the judge in charge of the litigation of the '393 patent as discussed in Section A of this IDS No. 1.

With respect to Unocal, the assignee of the '393 patent, the complaint alleges that Unocal infringed at least claim 1 of U.S. Patent 5,015,356 issued to Talbert and (as set forth in paragraphs 23 and 24 of the complaint) that:

"23. Unocal's '393 patent and Talbert's '356 patent are interfering patents, within the meaning of 35 U.S.C. § 291, in that at least one claim of each patent claims the same or substantially the same subject matter.

24. Talbert's '356 patent has priority over Unocal's '393 patent. As a result, Unocal's '393 patent is invalid in view of Talbert's '356 patent."

In its Answer, filed February 17, 1998, Unocal has denied both allegations, and the stress here is on the word "allegations." Merely because the complaint alleges that the two patents conflict does not mean that they in fact conflict.

Indeed, applicants submit to the Examiner that the patents do not conflict. A copy of Talbert's '356 patent is attached, and the Examiner is invited to compare the Talbert '356 claims against the claims of the '393 patent. The claims manifestly do not conflict. The same or substantially the same invention is not claimed in both patents.

Moreover, Talbert's '356 patent was of record in all of applicants' parent applications, as was the "Talbert Information Package." For the '393 patent specifically, the Examiner will find the Talbert '356 patent listed on the front cover of the '393 patent in the second column, and the "Talbert Information Package" on page 2, 2<sup>nd</sup> column, lines 12-13 and again on page 3, 2<sup>nd</sup> column, lines 22-23.

The applications leading to the issuance of the Talbert '356 patent and the '393 patent were, for a time, copending, and no interference was declared. Applicants submit that there was a good reason no interference was declared: the two patents were not claiming the same or substantially the same subject matter. Indeed, the subject matter defined by the claims of the '393 patent is patentable over the Talbert '356 patent.

Enclosed is a single sheet Form 1449 for this IDS No. 1, Section B, with the Talbert '356 patent being the sole item identified thereon. Applicants request that the Examiner consider this patent, indicate her consideration by initialing in the indicated location, and returning a copy of the Form 1449 to applicants with the next Office Action.

INFORMATION DISCLOSURE STATEMENT No. 1  
SECTION C

Section 609 (at page 600-95) of the M.P.E.P. states that an Examiner "will consider information cited or submitted to the Office in a prior application relied on under 35 U.S.C. 120." Applicant therefore requests in this IDS No. 1, Section C, that the Examiner consider the art and other documents of record in the file histories of applicants' earlier related applications, all of which are relied upon under 35 U.S.C. 120. Applicants have attached 25 sheets of Form 1449 containing all the art listed on the cover pages of applicants' U.S. Patent 5,653,866 (the parent application)-excepting only art which has already been discussed in Section A of this IDS No. 1 and the Talbert '356 patent discussed in Section B. Each of these 25 pages of Form 1449s is specifically identified (both at top and bottom) as being for IDS No. 1, Section C.

Aside from items listed on the cover of the U.S. Patent 5,653,866 patent, the only other disclosures on the enclosed 25 pages of Form 1449 for IDS No. 1, Section C, are three items, which can be found listed as the final three disclosures on page 25. Although not listed on any of the cover pages of applicants' U.S. Patent 5,653,866, these three items were nevertheless submitted in at least one of applicants' earlier applications, specifically as follows:

The item listed as "EPA Complex Model (computerized disk) (1994)" was given to the Examiner in the interview of

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record on March 1, 1995 in applicants' U.S. Application Serial No. 08/077,243 filed June 14, 1993, and another copy was supplied in applicants' U.S. Patent Application 08/409,074 filed March 22, 1995 (now U.S. Patent 5,593,567) with the PRELIMINARY AMENDMENT (see page 20) entered March 22, 1995.

The item listed as "Regulation of Fuels and Fuel Additives: Standards for Reformulated and Conventional Gasoline," 40 CFR, Part 80, Federal Register, Vol 59, No. 32, pp. 7716-7878, Feb. 16, 1994 was submitted in applicants' U.S. Patent Application 08/409,074 filed March 22, 1995 (now U.S. Patent 5,593,567) with the PRELIMINARY AMENDMENT (see page 28) entered March 22, 1995.

The item listed as "California Refiners Face Hurdle in Federal, State RFG Rules, "Oil & Gas Journal, pages 23-28, Oct 10, 1994 was submitted in applicants U.S. Patent Application 08/077,243 filed June 14, 1993 as an attachment to the AMENDMENT IN RESPONSE TO FINAL REJECTION (see page 24) submitted on February 3, 1995.

The Examiner is asked to consider the file histories of applicants' earlier filed applications and to indicate consideration of the items identified on the attached 25 pages of Forms 1449 by initialing in the appropriate boxes and returning a copy of the initialed forms to applicants with the next Office Action.

Applicants submit that their claimed invention is patentable over all the art itemized in the enclosed Forms 1449 for this IDS 1, *Section C*. None of this art is believed more pertinent than the art submitted herewith in *Section A*, but there is no substitute for the Examiner reviewing the art in the parent file histories and coming to her own conclusions. As an aid in reviewing these file histories, the Examiner is reminded that Attachment P1 of IDS 8 of the grandparent application sets forth fuel properties for a great number of fuels with RVPs of 7.5 psi or less as set forth in patents or literature references of record submitted to the USPTO up to the time of the submission of IDS 5 of the great-grandparent application. While Attachment P1 unfortunately does not include *all*<sup>4</sup> fuels of  $RVP \leq 7.5$  psi of every reference of record submitted up through said IDS 5, and while applicants have previously admitted to the possibility of error in Attachment P1,<sup>5</sup> the Examiner may still find Attachment P1 a helpful tool. Further art teaching fuels with RVPs of 7.5 psi or less was submitted in IDS documents after submission of said IDS 5, most notably in IDS 6, IDS 9, IDS 11, IDS 12, IDS 15, and the Supplement to IDS 15 in the grandparent application. Again, it is applicants' belief that their claimed invention is patentable over all the art of record in the parent file histories.

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<sup>4</sup> For example, one fuel of  $RVP \leq 7.5$  psi which is not on Attachment P1 is the ALK fuel of SAE 900153. However, this "fuel" is irrelevant to the claimed invention, since it is an alkylate and not an automotive gasoline and, in any event, has a T10 above the 158° F maximum for all of the gasolines of the claims.

<sup>5</sup> See IDS 6 and 8 of the grandparent application.

In accordance with 37 CFR 1.98(d) no copies of any of the items listed on the attached Forms 1449 are enclosed because copies were already submitted and/or cited in one or more of applicants' parent applications identified as follows:

U.S. Patent 5,653,866 (U.S. Pat. App. 08/464,554 filed June 5, 1995) (the **parent** application)

U.S. Patent 5,593,567 (U.S. Pat. App. 08/409,074 filed Mar. 22, 1995) (the **grandparent** application)

U.S. Patent Application 08/077,243 filed June 14, 1993 (the **great-grandparent** application)

U.S. Patent 5,288,393 (U.S. Pat. App. 07/628,488 filed Dec. 13, 1990) (the **great-great grandparent** application)

Although no copies of the items listed in the attached 25 pages of Forms 1449 for IDS No. 1, *Section C*, are being herewith provided, if the Examiner desires applicants to supply her with copies of any or all of the art so listed, applicants' attorney, upon telephone request by the Examiner, will endeavor to provide her with copies as soon as possible-by FAX if only a few documents are required or by overnight delivery service hand carried to her office if a number are required.

INFORMATION DISCLOSURE STATEMENT No. 1  
SECTION D

Attached immediately to the end of this IDS No.1 are 13 laboratory notebook pages pertaining to certain ARCO or Chevron fuels. The pages are identified in the upper right hand corner as follows: AQ 6513; AQ 6514; AQ 6517; AQ 6518; AQ 6519; AQ 6520; AQ 6528; AQ 6529; AQ 6532; AQ 6533; AQ 6534; AQ 6535; and AQ 6536.

None of these fuels is within the property requirements of the unleaded gasolines required either in applicants' composition or method claims as set forth in the accompanying amendment. Indeed, only one fuel has an RVP reported as less than 7.5 psi (on page AQ 6532).

For reference, the Examiner can also find data pertaining to a number of Unocal fuels, as well as data for some fuels of its competitors, with RVPs reported below 7.5 psi in IDS Nos. 3 and 5 of great-grandparent application Serial No. 08/077,243 filed June 14, 1993, abandoned. Included in this data are some Unocal refinery data.

The Examiner is requested to indicate her consideration of the above-mentioned laboratory notebook pages by initialing in the appropriate locations on the single page of Form 1449 for IDS No. 1, Section D. No admission is made that any of the items listed on any of the Forms 1449 submitted with this IDS No. 1, Sections A, B, C, and D is prior art. The same is true as to any item discussed in this IDS No. 1.